



New Style of Leisure



“You can’t imagine the fun the kids are having when they harvest their own vegetables. I used to think weekend golfing is mundane activity for my husband, surprisingly there are a lot more going on than I expected. The spa treatment I get under the palm tree is just amazing. Weekend will never be the same again...”

Business Review

Guangzhou

Guangzhou

Area : 7,434 km²



Population: 7.3 million

Location : Guangdong Province



HIGHLIGHTS

With the country's entry into the WTO, the city's service industry especially in the area of finance, logistics and exhibition service has witnessed rapid growth. Investors from Hong Kong are particularly active in the service sector with Closer Economic Partnership Arrangement ("CEPA") between Mainland China and Hong Kong running into the third year. At present, 47 foreign banking institutions from 19 countries and regions have set up offices and accelerated their expansion in Guangzhou. The new Baiyun International Airport, Guangzhou International Convention and Exhibition Centre, deep-water ports in Huangpu and Nansha are just some of the new world class infrastructures to support Guangzhou's emergence as the regional financial centre.

-  Railway station
-  Metro Line
-  Metro Line Extension
(Subject to approved planning)
-  Bridge
-  Guangzhou Dong Yi Garden
-  Guangzhou New World Oriental Garden
-  Guangzhou Central Park-view
-  Guangzhou Covent Garden
-  Guangzhou Concord New World Garden
-  Guangzhou Park Paradise

For project details, please refer to 'Major project profiles' starting from page 170)



Business Review

Guangzhou

Guangzhou – completion schedule			sq. m.
FY2006	Guangzhou Central Park-view Phase IIB	Residential, Commercial, Carpark	97,607
	Guangzhou Covent Garden Phase IIB	Residential, Carpark	45,148
	Guangzhou Park Paradise Phase IIB2	Residential	29,009
	Guangzhou Park Paradise Phase IIC	Residential, Commercial, Carpark	112,923
	Guangzhou Xintang New World Garden Phase III	Residential, Commercial	73,321
Total			358,008
FY2007	Guangzhou Dong Yi Garden Phase IV	Residential	76,871
	Guangzhou Concord New World Garden Phase II	Residential, Commercial, Carpark	52,657
	Guangzhou Park Paradise Phase IID2	Residential, Commercial, Carpark	41,247
	Guangzhou Xintang New World Garden Phase IVA	Residential, Commercial	34,925
Total			205,700
FY2008	Guangzhou Park Paradise Phase IID2 & IID3	Residential, Carpark	122,939
	Guangzhou Xintang New World Garden Phase IVB	Residential	12,709
Total			135,648





The municipal government's drive to develop Pearl River New City in Tianhe District into the city's new business hub has already taken shape with numerous new office and international brand name hotel projects due to complete in the next few years. Companies are showing more preference in committing their new offices in this area and likewise more urban population are taking up residence in the luxurious apartments within the area.

The Group's landmark luxurious residential project in Pearl River New City, Guangzhou Central Park-view, has witnessed a continuous surge in capital value. The project has also launched its service apartment, the New Gateway Apartment, in order to capture the growing expatriate population in Guangzhou. Many senior executives of multi-national companies and consulate staffs are now residents of this prestige community, making it one of the more global neighbourhood in Guangzhou.

The Guangzhou Concord New World Garden Phase II in the traditional business area of Tianhe District launched for sale by the end of 2005 with tremendous success, all the about 500 high-rise apartment units launched had been sold out within just a few days.

Also located in Tianhe District is Guangzhou Dong Yi Garden, which is right adjacent to the scenic Tianhe Park. Phase IV was launched in several phases during the year under review. The over 600 apartment units were nearly completely sold out.

Guangzhou Park Paradise in Baiyun District, the largest residential community project of the Group in Guangzhou, continues to be the mainstay of residential supply in the area. The quality of air and lush landscaping are just some of the reasons the project has become the preferred choice of many highly educated home buyers. All Phase IIC has been sold out during the year under review.

The strategic development of the eastern part of Guangzhou by the municipal government has heated up the residential market in Xintang township. The Group's Xintang New World Garden has enjoyed enormous success during the past year with almost 80% of Phase III being sold. The development of Phase IV is well underway.

Business Review

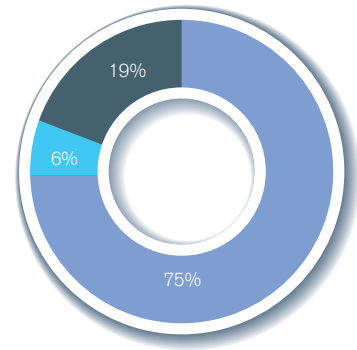
Guangzhou

PROPERTY PORTFOLIO

There are seven major property development projects with a total GFA of 3,728,542 sq. m.. A total saleable GFA of 208,099 sq. m., including residential space and office space were completed during the year. We expect to build 205,700 sq. m. GFA in FY2007, and a further 135,648 sq. m. GFA in FY2008.

Guangzhou – development properties for sale

Total GFA 3,728,542 sq. m.

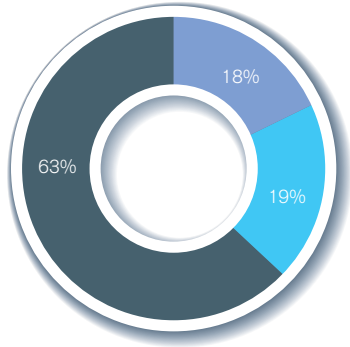


■ Residential
■ Commercial
■ Others



**Guangzhou –
completed investment
properties**

Total GFA 283,099 sq. m.



- Residential
- Commercial
- Others

INVESTMENT PROPERTIES

There are six completed investment property projects with GFA of 283,099 sq. m. of commercial area.

Commercial area of Guangzhou New World Oriental Garden Phase I recorded full tenancy during the year under review.



Business Review

Pearl River Delta

Pearl River Delta

Area : 28,919 km²

Population: 11.9 million

Location : Guangdong Province



HIGHLIGHTS

Pearl River Delta (“PRD”) has always been the manufacturing powerhouse for Guangdong Province and even Mainland China. Following the continuous implementation of CEPA and Pan-Pearl River Delta regional economic and trade cooperation, PRD has begun its ambitious plan to serve as the leading district for the Pan-PRD 9+2 districts (nine provinces and two special administrative regions).

- Railway
- Highway
- 29 Guangzhou Xintang New World Garden
- 30 Shenzhen Xilihu Development
- 31 Shenzhen New World Yi Shan Garden
- 32 Shunde New World Centre
- 33 Huiyang Palm Island Resort
- 34 Zhaoqing New World Garden
- 35 Zhuhai New World Riviera Garden
- 36 Foshan Country Club
- 37 Huizhou Changhuyuan
- 49 Courtyard by Marriott Shunde

(For project details, please refer to 'Major project profiles' starting from page 170)



Pearl River Delta – completion schedule				sq. m.
FY2006	Shenzhen New World Yi Shan Garden Phase II	Residential, Commercial		6,609
Total				6,609
FY2007	Huiyang Palm Island Resort Phase V	Residential		27,912
	Zhuhai New World Riviera Garden Phase IIIA	Residential		35,188
Total				63,100
FY2008	Zhuhai New World Riviera Garden Phase III	Residential, Commercial, Office		48,957
	Huizhou Changhuyuan Phase IIB	Residential, Commercial, Carpark		74,930
Total				123,887

Business Review

Pearl River Delta



One of the main pieces of infrastructure to forge a closer tie among the nine cities including Hong Kong and Macau in the Greater PRD region is a 600-km railway network connecting these cities into a “one hour city circle”. The network essentially is an “A” shaped railway main line connecting Guangzhou to Shenzhen and Zhuhai and is scheduled to complete by the end of 2008. Other sub-lines extending from the main line will be built to reach the other cities in the region. Works for the Guangzhou New Railway Station, one of the four largest passenger railway hubs in China, were commenced last year.

Shenzhen New World Yi Shan Garden Phase II is the Group’s major residential project in Shenzhen. Over 80% of the mid-rise apartments have been sold during the year under review and planning for Phase III high-rise apartment is undergoing.

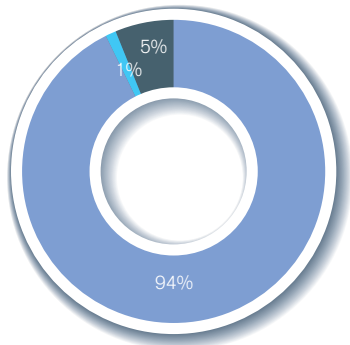
Around 65% of Huizhou Changhuyuan Phase IIA has been sold during the year under review. Huizhou has attracted the attention of many developers from outer provinces during the past two years, all have been drawn by the positive economic outlook of the city spurred by the US\$4.3 billion petro-chemical joint venture between Shell and China National Offshore Oil Corp.

Palm Island Resort in the city of Huiyang has well established its name as one of the best and most sought after international standard golf resorts in PRD. Besides the 27-hole golf course, other numerous facilities such as spa, organic farm, observatory and war game have made the place a truly family resort destination. The Resort’s exclusive waterfront villa and apartment, Jujube Trail Phase II has already stirred up tremendous interest among its club members and investors from Shenzhen even before its formal launch for sale.

Over 90% of launched units in Zhuhai New World Riviera Garden Phase II have been sold during the year under review. Construction of Phase III has already commenced and it is anticipated the apartments will also be well received by the market.

Pearl River Delta – development properties for sale

Total GFA 2,262,955 sq. m.



- Residential
- Commercial
- Others

PROPERTY PORTFOLIO

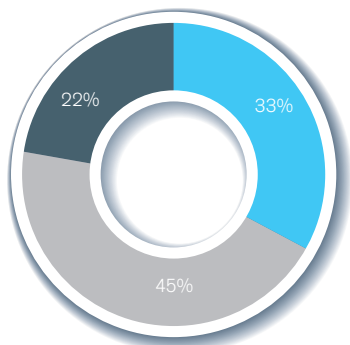
There are eight major property development projects with total GFA of 2,262,955 sq. m.. A saleable residential GFA of 3,510 sq. m. were completed during the year. We expect to build 63,100 sq. m. GFA in FY2007, and a further 123,887 sq. m. GFA in FY2008.

INVESTMENT PROPERTIES

There are three completed investment property projects with GFA of 81,012 sq. m..

Pearl River Delta – completed investment properties

Total GFA 81,012 sq. m.



- Commercial
- Hotel
- Others



Business Review

Haikou

Haikou

Area : 2,304 km²

Population: 1.6 million

Location : Hainan Province



HIGHLIGHTS

The Port of Haikou has begun an expansion this summer to enable it to handle international cruises. In June 2006, the city also announced its plan to start building a 300-km railway beyond 2006 along the eastern coast of Hainan Province to link up Haikou and Sanya (the renowned tropical resort city to the south), reducing the travelling time between the two cities from over three hours to around 80 minutes. These infrastructure undertakings will no doubt reinforce Haikou's tourism industry as the most favourite destination for travellers.

Haikou – completion schedule

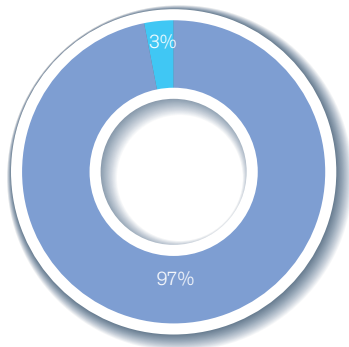
sq. m.

FY2007	Haikou New World Garden Phase II	Residential	77,716
Total			77,716

The Group's existing resort development has always been the top choice for mature local and outer province home buyers, apparently drawn by its resort lifestyle and professional property management service. The Group had also acquired a large parcel of coastal site in November 2005 earmarked to be developed into a natural extension to the city. Situated directly to the north of the city centre across the Haikou Bay and connected by the iconic six-lane Century Bridge to downtown, the site is about 2.2 sq. km. and is surrounded by the Qiongzhou Strait on three sides. The tentative master plan of the project calls for a substantial southern portion to be developed into a public tourist spot with attractions such as fisherman wharf, sightseeing tower, seaside promenade, marina, convention centre, hotel and catering district.

Haikou – development properties for sale

Total GFA 209,597 sq. m.



■ Residential
■ Others

PROPERTY PORTFOLIO

There is one property development project with GFA of 209,597 sq. m.. We expect to build 77,176 sq. m. of residential space in FY2007.



Business Review

Chengdu

Chengdu

Area : 12,390 km²

Population: 10.4 million

Location : Sichuan Province



HIGHLIGHTS

Reputed for its teahouse and laidback lifestyle, Chengdu, the capital city of Sichuan Province has turned around to witness a kind of break-neck growth not commonly associated with the city. Chengdu has become an ideal starting point for corporations doing business in the western region, thanks to central government's western development strategy. Big players like Microsoft and KPMG are setting up offices here, eyeing this energetic city which is spearheading the growth of the western provinces.

The Group had acquired a new site earlier in the year to develop a massive water themed residential community project in the southern edge of Chengdu, right next to the terminal station of the now under-construction Chengdu Subway Line No.1 which will due to open in 2010. This mega project comprises of a site area of almost one million sq. m. and its elongated site perimeter is fronted by the Fu River, a scenic and historic waterway passing through the city core of Chengdu. Phase I has already kicked off and comprises of multiple style of contemporary semi-detached villas, mid-rise and high-rise apartment towers.

Business Review

Changsha & Guiyang

HIGHLIGHTS

The Central Government has strategically planned to turn the six provinces of central China including Hunan into the next engine of national economic growth. The Ministry of Commerce aims to attract over 10,000 enterprises from overseas and the coastal region of the country to invest in this region in three years. The First Central China Trade and Investment Expo was successfully held in September 2006 in Changsha, the capital of Hunan Province, making it the national limelight.

During the year under review, the Group has acquired a new site in Yuhua District of Changsha, just off the Second Ring Road. The site area of the project is about 450,000 sq. m.. Earmarked for a comprehensive landmark community serving the city, the initial development plan calls for a water-themed design with a mixture of luxurious mid-rise and high-rise apartment towers in rhythmic groupings and other commercial facilities such as regional shopping centre and hotel.

HIGHLIGHTS

Since 2001, the city of Guiyang has begun its strategic development of Jinyang New District, some 6.5 km. to the north western part of the city. The aim is to ease the population density and development bottleneck of the existing city centre which is surrounded by hilly terrain on all sides. Jinyang New District will cover an area of 40 sq. km. by the year 2020 and will become a new pole of growth for Guiyang. At present, two major freeways are connecting the New District to the city centre and both the municipal government and provincial Guizhou University have already moved into the district. It is envisaged that the district's development will come into full force during the Eleventh Five Year Plan.

The Group has acquired a new development site in the Jinyang New District during the year under review. Covering a site area of about two million sq. m., it is by far the largest single parcel of land to be privately developed.

Changsha

Area : 11,800 km²

Population : 6 million

Location : Hunan Province



Guiyang

Area : 8,034 km²

Population : 3.4 million

Location : Guizhou Province

